Remarks of Governor Christine Todd Whitman Administrator of the U.S. Environmental Protection Agency Environmental Council of the States Spring Meeting Madison, Wisconsin

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Good evening. It's good to join you again.

What a difference a year can make – and in this case, only eight months. It was last August when I last saw many of you, at the annual meeting in Hawaii. Back then I gave a speech that played upon the image of renewing wedding vows.

Eight months have passed, and much has happened. As in any marriage – any partnership – we've tackled many challenges, some expected and some we never anticipated. Let me take a few minutes this evening to update you.

Without question, the most dramatic changes have occurred in the aftermath of September 11.

EPA has been involved at the World Trade Center site literally every day since September 11 – from setting up wash stations for the workers at ground zero ... to monitoring the air and water for asbestos and other contaminants ... to getting all the monitoring data up on the Web so everyone can see it. I'm proud of our efforts and our teamwork with New York State's Department of Environmental Conservation and its sister agency in New York City.

EPA also took part in cleaning up the Hart Senate Office Building during the anthrax crisis. Both events underscored the essential contributions that environmental agencies make to the work of counter-terrorism.

That is why EPA is now deeply involved in Homeland Security, with nearly \$190 million this year set aside, including funds to help protect drinking water supplies in the states. I know many of your agencies are already in contact with us on this effort. I thank you for your dedication and cooperation.

Since we last met in Honolulu, some very <u>good</u> things have also happened. For example, EPA's Region 8 has a new leader, Robbie Roberts. I'm sure you will miss him as ECOS Executive Director but look forward to working with him as Regional Administrator.

There's more good news. In January, President Bush signed into law the brownfields revitalization legislation I spoke about last summer. This bill means more tools to reclaim and restore thousands of abandoned properties across the country. I'm pleased to say that the President's \$200 million budget proposal for brownfields projects includes over \$170 million for state, tribal, and local programs.

Speaking of money – which is always worth speaking of – let me also mention that EPA has asked for nearly \$79 million more in the coming budget for grants to states over what Congress provided last year. These grants will certainly help address critical shared priorities such as counter-terrorism, water quality, and enforcement.

Last August I spoke about my personal interest in the National Environmental Performance Partnership System. NEPPS is a good program that we can make even better.

That's why I'm glad to hear you spent several hours yesterday talking about how to improve on NEPPS. I know one idea is to establish an annual joint planning process for national and state priorities that EPA and ECOS can work on together, and I applaud that.

We've seen that better communication and collaboration can truly make a difference. Since last August I have directed every regional administrator to talk with their state environmental commissioners about priorities for FY 2003, and those priorities have been reflected in headquarters and regional discussions of where to apply our resources to have the biggest impact.

Furthermore, because of our success last year with ECOS joining us for EPA's planning and budgeting session, we are again inviting ECOS to join us next month as we begin to plan and budget for FY 2004.

What's more, I'm happy to say that my agency is working with your organization to expedite addressing emerging issues that are priorities for both of us.

EPA will then provide a single cooperative agreement for all activities to be carried out during the year. We're calling it the Omnibus Agreement, and we hope this is ready to go later this year because it will clearly save time between identifying issues and having resources in place to start the work.

Of course, another important development has happened since I mentioned it last August: the Clear Skies initiative that President Bush announced this past February.

Clear Skies focuses on power plants and proposes reducing sulfur dioxide emissions by 73 percent, nitrogen oxides by 67 percent, and mercury by 69 percent. Considering what these pollutants cost us in health problems, smog, and damage to the environment, these are

truly significant reductions.

We will achieve them not with heavy regulation but with flexibility. We're modeling Clear Skies on the innovative Acid Rain program created in 1990. The program set a nationwide cap on sulfur dioxide emission levels, but allowed industries to comply by reducing their own emissions or buying "credits" from other sources that made extra reductions.

This "cap and trade" strategy has achieved nearly 100 percent industry compliance, it has cost far less to implement, and it has reduced emissions in its early years to levels even <u>lower</u> than the government established.

We expect the same success here. In fact, through Clear Skies we will remove 35 million <u>more</u> tons of pollution over the next decade than under current law. Indeed, Clear Skies will not replace the Clean Air Act, but it will provide so many important improvements.

As I mention Clear Skies, with its goal of reducing mercury emissions at power plants, let me also applaud the Quicksilver Caucus, which is working hard to reduce the impact of mercury on the environment. I pledge EPA's work with you in the area of stewardship by sharing data and transferring knowledge among the scientific and technical communities.

As you can see, a lot has happened since last we met. And I haven't even touched on our progress on Environmental Management Systems, or the state enforcement grants, or for that matter the watershed initiative or the National Environmental Information Exchange Network – important projects all.

But I do want to take a moment to comment on the new EPA strategy that you heard presented yesterday – *Innovating for Better Environmental Results*.

I know that you have heard EPA talk about innovation before, and I also know that the results haven't always been as dynamic or impressive as you would have liked.

Trust me when I say we mean business. This isn't simply an add-on, a hey-let's-try-it program. This is part of my plan to truly shift EPA's approach to one that means just what the title suggests. Let's get results.

Results like lower greenhouse gas emissions and smog. Restored water quality. A revitalized wastewater infrastructure.

Let's talk not just about pollution control but about greater environmental responsibility.

Let's give you, our partners, the latitude you need to try new methods and techniques. You shouldn't have to be constantly looking over your shoulders.

Most important, this strategy is about changing the EPA culture. My agency needs to encourage broader application of successful experiments. We need to reward innovation leaders. We need to carry out more strategic and "innovation-friendly" planning and budgeting. That's just what we're going to do.

And to help us do that, I'd like to invite you to send to me the most egregious example of an recent innovation you wanted to try that EPA vetoed. I would also like to ask you to send me the most promising innovation you're now developing and want EPA to approve. I want to see for myself how we can improve on the past and truly make innovation an important part of our future.

Now, I also know that as we launch our strategy, all of you face budget shortfalls that limit your ability to fund innovative work. If you can't fund innovation, that certainly makes it hard to generate larger, bolder experiments at the state level.

So today I am announcing our intention to establish a modest state innovation fund that will support a limited number of state pilot projects. Together we will identify policy areas where innovation is needed to meet mutual environmental goals. We will then institute a competitive program where states can propose innovative projects designed to address these targeted areas.

You will be hearing more about *Innovating for Better Environmental Results* in the coming months. I hope you will give it a chance to succeed, and I hope to have ECOS' support for it.

Fortunately, we are not starting from scratch. Clearly, EPA has been moving in the direction of innovation, and a perfect example of this is the Performance Track program. In fact, I want to close by taking action to strengthen our partnership with four states in relation to this very promising program.

As you know, Performance Track highlights facilities that set the standard for responsible stewardship. I'm pleased to say that EPA will formally propose a rule next month that will recognize Performance Track facilities' exemplary record by providing some regulatory relief. Our goal is to ensure that these facilities spend more time on environmental improvements and less time on paperwork.

Even before that happens, we are working with states that have set up similar innovative programs. We're not trying to force states to set up identical programs because we know each state's environmental challenges are different.

Today EPA will sign separate agreements with Texas, Colorado, Virginia, and Massachusetts to cooperate on performance-based initiatives. By striking these agreements we make certain that high-performing facilities receive the full benefits of membership in these programs. Facilities like these deserve to be treated differently – they have earned not only recognition but also reward.

Now I'd like to invite representatives from Texas, Colorado, Virginia, and Massachusetts to come forward, along with representatives of Region 6, Region 8, Region 3, and Region 1, to sign the documents to make these agreements official.